

TO:	JIM MOYLE—PROPERTY TAX DIVISION
FROM:	ED HENDERSON—POLICY SECTION
DATE:	NOVEMBER 17, 2008
SUBJECT:	DISABLED VETERAN TAX CREDIT

STATUTES AND RULES:

Iowa Code section 425.15 and subrule 80.1(3), Iowa Administrative Code.

FACTS:

A disabled veteran moved from a home for which the veteran received federal financial assistance to another home for which the federal financial assistance was not received. The federal financial assistance for a specially constructed home is allowed to a disabled veteran on only one home during the veteran's lifetime.

ISSUE:

The Property Tax Division has received an inquiry from the Polk County Assessor's Office on whether the credit may be allowed on the home to which the disabled veteran moved.

DETERMINATION:

In an opinion of the Attorney General (#68-5-7), it was opined that a disabled veteran could not receive the tax credit on a second home because the federal financial assistance is available for a specially constructed home on only one home during the veteran's lifetime.

Legislation was enacted in 1980 (68th General Assembly, Chapter 1137, section 2, Senate File 2090) amending Code section 425.15 to provide that the credit was allowable on a different home unless the veteran fails to meet the other requirements of the section. The statute remains the same today. It is obvious that the amendment was made in reaction to the opinion of the Attorney General denying the credit on the second home to allow the credit on the second home or else there would have been no need to enact the new legislation. The requirements that the claimant need meet are the filing of a claim for credit and an annual income below the statutory limit. Once again, it would make no sense to state that one of the requirements that had to be met was the purchase of the second home under the federal assistance program. If this were the case, the amendment would have accomplished nothing.

In conclusion, a disabled veteran may claim the credit on a second home even though the federal assistance was received on the first home only.